

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|  |   |                 |
|--|---|-----------------|
| THE APPLICATION OF GARRARD COUNTY      | ) |                 |
| WATER ASSOCIATION OF GARRARD, LINCOLN, | ) |                 |
| AND MADISON COUNTIES, KENTUCKY FOR     | ) | CASE NO. 91-119 |
| APPROVAL OF CONSTRUCTION AND FINANCING | ) |                 |

O R D E R

On April 16, 1991, Garrard County Water Association ("Garrard Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$481,000 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 141 additional customers. Project funding includes a \$182,000 loan from the Farmers Home Administration ("FmHA"), a \$281,500 grant from FmHA, and \$17,500 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 5 percent per annum.

Garrard Water's application was made pursuant to KRS 278.023 which requires the Commission to accept agreements between water associations and FmHA and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on April 16, 1991, KRS 278.023 does not grant to the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Garrard Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Garrard Water's proposed plan of financing with FmHA is accepted.

3. Garrard Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. Garrard Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), Garrard Water shall take immediate action to bring the system into compliance with Commission regulations.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 16th day of May, 1991.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director